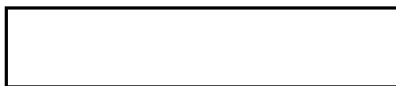


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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/95

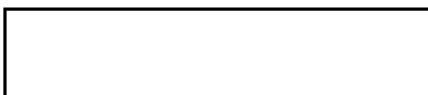
28 September 1959

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events
11 - 24 September 1959

The USSR has agreed to accept Indian exports as payment for all Soviet credits extended to India, credits which total approximately \$700 million. This agreement forms part of the over-all accord between India and the USSR which was signed in Moscow on 13 September and which defined the terms of the recent \$375 million Soviet credit extended to India in July.

The Bloc economic offensive in Indonesia has slowed down after a dramatic start in 1958 and early 1959. Implementation of current projects is proceeding very slowly, and Bloc negotiators have been unable to use their newly gained prestige to win positions of real economic leverage.

The Bloc has offered more than 600 academic and technical scholarships to Iraqi students for 1959-60. In contrast, only 14 Iraqis are reported to have been studying in the Bloc during the past academic year.

Several Bloc countries reportedly are providing financial and technical assistance to Guinea in the exploration of the Guinean iron ore deposits in the Nimba Range.

Brazil reportedly will dispatch a negotiating mission to Moscow to work out an agreement concerning the barter of Brazilian agricultural products for Soviet petroleum and possibly Soviet wheat. The report also indicates that the total value of the trade agreement may be \$100 million -- \$50 million each way.

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